O/ Food grains

1953.

# File No.

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P 5E

Legal Department

G BRANCH

**Subject:—**

Opinions Under the

Bombay Food-grains (Regulation of Movement

and Sale) Order 1949 and Bombay

Food-grains Control Order, 1947.

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| | | Opinions under the Bombay Foodgrains (Regulation of Movement and Sale) order, 1949, and Bombay Food grains control order, 1947. | |
| 1.) | O.No. G-639/15-10-53. | Re: Disposal of stocks by wholesale dealers within a specified period. Balance remaining to be sold to Govt. at Govt. rates. Dispute between the dealer & Govt. regarding rates fixed by Govt. Suit filed by the dealer against Govt. | 1-4. |

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L.D.R.I.No. G-404,dt.23-4-53

Submitted.

The facts of the case in brief are as follows :-

As the prices of Ragi (Nagli) and Kodra had gone up, Government decided in November 1950 to impose control on the minor grains. Accordingly the Bombay Foodgrains (Regulation of Movement and Sale) Order, 1949 was amended by adding Ragi and Kodra to the list of foodgrains in Schedule A to the Order and Circular No.925/ F.G.(L)/II, dated 3-11-1950 was issued to all Collectors except the Collector of Bombay whereby they were advised. to issue notices to the licensees under the Bombay Foodgrains Control Order, 1947 in addition to a press note to the effect that traders holding stocks of ragi under a wholesale licence must dispose of their existing stocks during theperiod ending x 25-11-50 whatever balance was left after the expiry of the moratorium period will have to be sold to Government at Government's procurement rates. Further that all persons availing of the concession should send declaration of their stocks held on 4-11-1950 and25-11-1950.

In the present case Shri M.M.Mahahkal a general merchant and commission agent of Khed Ratnagiri District had purchased Nagli from

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other Districts and stored 698 Bengal Maunds in October 1950. He had paid Rs. 13,262/- by way of price for the Nagli. In November 1950 when export of Nagli was prohibited from one District to another and declaration of stocks were demanded as per orders mentioned in para 1 above, Shri M. declared his stocks on 9-11-1950. Government acquired his entire stocks of Nagli without valuing the stock or without fixing any rate of purchase. Six months later he was paid Rs.5,584/- for the entire stock at the rate of Rs. 8/- per Bengal Maund. Shri M. has given notice ofsuit for Rs. 7,678/- being the balance of the price of Nagli taken over from him, and also for interest at the rate of 6 per cent per annum. He has pointed out in his previous petition that one Shri Gandi, whose stocks were also acquired by Government, was paid at the rate of Rs. 15/- per B.Md. This action is supported by the C.S.D. on the ground that the stockists in the rationed areas were paid Rs. 15/- per B.Md. because they had not been given time to dispose of their stocks.

The Mamlatdar who checked the Shri M's account found that he had actually paid Rs.16/- per B.Md. and incurred transport expenses of Rs. 2/- per B.Md..

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The Assistant District Government Pleader Ratnagiri, who was consulted in the matter has opined that even though Shri M. was put to a great loss Government will not be liable to pay him damages as Government has taken over the stocks under the special priveleges.

The question for R.L.A's consideration is whether suit if filed by Shri M. would be defensible.

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Legal Department.

The orders at pages 115/c and 117/c appear to be in order as although the rate in terms of money was not specified in the order at page 117/c it was made clear in the order that the sale would be at Government procurement rates. The suit would therefore be defensible to that extent. The Civil Supplies Department may however take into consideration the fact that three weeks period appears to be too short for disposal of the huge stock.

Sd/- J.R.Dhurandhar.
15/10

o/c

Additional Secretary to Government.

U.R.to C.S.D.,No. G- 639, dated the 15th October 1953.

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